		FOR OHF USE					

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2003
STATE OF ILLINOIS
DEPARTMENT OF PUBLIC AID
FINANCIAL AND STATISTICAL REPORT FOR
LONG-TERM CARE FACILITIES
(FISCAL YEAR 2003)

IMPORTANT NOTICE
THIS AGENCY IS REQUESTING DISCLOSURE OF INFORMATION THAT IS NECESSARY TO ACCOMPLISH THE STATUTORY PURPOSE AS OUTLINED IN 210 ILCS 45/3-208. DISCLOSURE OF THIS INFORMATION IS MANDATORY. FAILURE TO PROVIDE ANY INFORMATION ON OR BEFORE THE DUE DATE WILL RESULT IN CESSATION OF PROGRAM PAYMENTS. THIS FORM HAS BEEN APPROVED BY THE FORMS MANAGEMENT CENTER.

I. IDPH Facility ID Number: 0035261

Facility Name: Rosewood Care Center of Alton

Address: 3490 Humbert Road (Number) Alton (City) 62002 (Zip Code)

County: Madison

Telephone Number: (618) 465-2626 **Fax #** ( )

IDPA ID Number: 431446787001

Date of Initial License for Current Owners: 5/15/89

Type of Ownership:

	VOLUNTARY,NON-PROFIT	X	PROPRIETARY		GOVERNMENTAL
	Charitable Corp.		Individual		State
	Trust		Partnership		County
IRS Exemption Code		X	Corporation		Other
			"Sub-S" Corp.		
			Limited Liability Co.		
			Trust		
			Other		

In the event there are further questions about this report, please contact:
Name: Cindy A. Tefteller **Telephone Number:** (618) 465-7717

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 7/1/2002 to 6/30/2003 and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.

Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment.

Officer or Administrator of Provider

(Signed) _____ (Date)
(Type or Print Name) _____
(Title) _____

Paid Preparer

(Signed) Accountant's Compilation Report Attached (Date)
(Print Name and Title) Cindy A. Tefteller
(Firm Name & Address) C.J. Schlosser & Company, L.L.C.
233 E. Center Drive, Alton, IL 62002
(Telephone) (618) 465-7717 Fax # (618) 465-7710

MAIL TO: OFFICE OF HEALTH FINANCE
ILLINOIS DEPARTMENT OF PUBLIC AID
201 S. Grand Avenue East
Springfield, IL 62763-0001 **Phone # (217) 782-1630**

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Rosewood Care Center of Alton # 0035261 Report Period Beginning: 7/1/2002 Ending: 6/30/2003

III. STATISTICAL DATA

A. Licensure/certification level(s) of care; enter number of beds/bed days, (must agree with license). Date of change in licensed beds _____

	1 Beds at Beginning of Report Period	2 Licensure Level of Care	3 Beds at End of Report Period	4 Licensed Bed Days During Report Period	
1	180	Skilled (SNF)	180	65,700	1
2		Skilled Pediatric (SNF/PED)			2
3		Intermediate (ICF)			3
4		Intermediate/DD			4
5		Sheltered Care (SC)			5
6		ICF/DD 16 or Less			6
7	180	TOTALS	180	65,700	7

B. Census-For the entire report period.

	1 Level of Care	2 Patient Days by Level of Care and Primary Source of Payment: Public Aid Recipient	3 Private Pay	4 Other	5 Total	
8	SNF			7,035	7,035	8
9	SNF/PED					9
10	ICF	6,629	35,211		41,840	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	6,629	35,211	7,035	48,875	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 74.39%

D. How many bed-hold days during this year were paid by Public Aid?
62 (Do not include bed-hold days in Section B.)

E. List all services provided by your facility for non-patients.
(E.g., day care, "meals on wheels", outpatient therapy)
None

F. Does the facility maintain a daily midnight census? Yes

G. Do pages 3 & 4 include expenses for services or investments not directly related to patient care?
YES [ ] NO [X]

H. Does the BALANCE SHEET (page 17) reflect any non-care assets?
YES [ ] NO [X]

I. On what date did you start providing long term care at this location?
Date started 5/15/89

J. Was the facility purchased or leased after January 1, 1978?
YES [X] Date 5/15/89 NO [ ]

K. Was the facility certified for Medicare during the reporting year?
YES [X] NO [ ] If YES, enter number of beds certified 42 and days of care provided 7,035

Medicare Intermediary Tri-Span

IV. ACCOUNTING BASIS

ACCRUAL [X] MODIFIED CASH* [ ] CASH* [ ]

Is your fiscal year identical to your tax year? YES [x] NO [ ]

Tax Year: 6/30/03 Fiscal Year: 6/30/03

* All facilities other than governmental must report on the accrual basis.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Rosewood Care Center of Alton # 0035261 Report Period Beginning: 7/1/2002 Ending: 6/30/2003

V. COST CENTER EXPENSES (throughout the report, please round to the nearest dollar)

	Operating Expenses	Costs Per General Ledger Salary/Wage 1	Supplies 2	Other 3	Total 4	Reclass-ification 5	Reclassified Total 6	Adjust-ments 7	Adjusted Total 8	FOR OHF USE ONLY 9	10	
	A. General Services											
1	Dietary	210,079	23,200	8,064	241,343		241,343		241,343			1
2	Food Purchase		204,618		204,618		204,618	(6,736)	197,882			2
3	Housekeeping	144,477	30,156		174,633		174,633		174,633			3
4	Laundry	52,329	15,754		68,083		68,083		68,083			4
5	Heat and Other Utilities			119,832	119,832		119,832	243	120,075			5
6	Maintenance	24,833	8,888	77,781	111,502		111,502	22,210	133,712			6
7	Other (specify):* Sanitation			5,051	5,051		5,051		5,051			7
8	**TOTAL General Services**	431,718	282,616	210,728	925,062		925,062	15,717	940,779			8
	B. Health Care and Programs											
9	Medical Director			4,250	4,250		4,250		4,250			9
10	Nursing and Medical Records	2,028,596	202,780	22,431	2,253,807		2,253,807		2,253,807			10
10a	Therapy	69,493	1,093	321,379	391,965		391,965	8,850	400,815			10a
11	Activities	57,087	2,883	2,400	62,370		62,370		62,370			11
12	Social Services	59,086	500	2,400	61,986		61,986		61,986			12
13	Nurse Aide Training											13
14	Program Transportation											14
15	Other (specify):*											15
16	**TOTAL Health Care and Programs**	2,214,262	207,256	352,860	2,774,378		2,774,378	8,850	2,783,228			16
	C. General Administration											
17	Administrative			850,707	850,707		850,707	(702,236)	148,471			17
18	Directors Fees											18
19	Professional Services			3,790	3,790		3,790	49,639	53,429			19
20	Dues, Fees, Subscriptions & Promotions			22,325	22,325		22,325	(7,288)	15,037			20
21	Clerical & General Office Expenses	132,842	37,178	21,390	191,410		191,410	233,698	425,108			21
22	Employee Benefits & Payroll Taxes			330,166	330,166		330,166	41,455	371,621			22
23	Inservice Training & Education											23
24	Travel and Seminar			49	49		49		49			24
25	Other Admin. Staff Transportation			12,423	12,423		12,423	16,099	28,522			25
26	Insurance-Prop.Liab.Malpractice			70,166	70,166		70,166	11,801	81,967			26
27	Other (specify):*											27
28	**TOTAL General Administration**	132,842	37,178	1,311,016	1,481,036		1,481,036	(356,832)	1,124,204			28
29	**TOTAL Operating Expense (sum of lines 8, 16 & 28)**	2,778,822	527,050	1,874,604	5,180,476		5,180,476	(332,265)	4,848,211			29

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds $1000.

SEE ACCOUNTANTS' COMPILATION REPORT

NOTE: Include a separate schedule detailing the reclassifications made in column 5. Be sure to include a detailed explanation of each reclassification.

Facility Name & ID Number Rosewood Care Center of Alton #0035261 Report Period Beginning: 7/1/2002 Ending: 6/30/2003

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger Salary/Wage 1	Supplies 2	Other 3	Total 4	Reclass-ification 5	Reclassified Total 6	Adjust-ments 7	Adjusted Total 8	FOR OHF USE ONLY 9	10	
	D. Ownership											
30	Depreciation			7,747	7,747		7,747	288,757	296,504			30
31	Amortization of Pre-Op. & Org.											31
32	Interest							1,207,285	1,207,285			32
33	Real Estate Taxes			138,734	138,734		138,734		138,734			33
34	Rent-Facility & Grounds			1,717,289	1,717,289		1,717,289	(1,703,482)	13,807			34
35	Rent-Equipment & Vehicles			6,056	6,056		6,056		6,056			35
36	Other (specify):*											36
37	**TOTAL Ownership**			1,869,826	1,869,826		1,869,826	(207,440)	1,662,386			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		149,819	13,839	163,658		163,658	(801)	162,857			39
40	Barber and Beauty Shops											40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			98,550	98,550		98,550		98,550			42
43	Other (specify):*											43
44	**TOTAL Special Cost Centers**		149,819	112,389	262,208		262,208	(801)	261,407			44
45	**GRAND TOTAL COST (sum of lines 29, 37 & 44)**	2,778,822	676,869	3,856,819	7,312,510		7,312,510	(540,506)	6,772,004			45

***Attach a schedule if more than one type of cost is included on this line, or if the total exceeds $1000.**

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Rosewood Care Center of Alton # 0035261 Report Period Beginning: 7/1/2002 Ending: 6/30/2003

VI. ADJUSTMENT DETAIL

A. The expenses indicated below are non-allowable and should be adjusted out of Schedule V, pages 3 or 4 via column 7. In column 2 below, reference the line on which the particular cost was included. (See instructions.)

	NON-ALLOWABLE EXPENSES	1 Amount	2 Reference	3 OHF USE ONLY	
1	Day Care	$		$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals	(6,033)	2		4
5	Telephone, TV & Radio in Resident Rooms				5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation	536	30		9
10	Interest and Other Investment Income	(4,656)	32		10
11	Discounts, Allowances, Rebates & Refunds	(801)	39		11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(703)	2		13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees	(3,000)	20		17
18	Fines and Penalties				18
19	Entertainment				19
20	Contributions				20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers				22
23	Malpractice Insurance for Individuals				23
24	Bad Debt				24
25	Fund Raising, Advertising and Promotional	(1,535)	20		25
26	Income Taxes and Illinois Personal Property Replacement Tax				26
27	Nurse Aide Training for Non-Employees				27
28	Yellow Page Advertising	(3,705)	20		28
29	Other-Attach Schedule Marketing Salary	(51,538)	21		29
30	**SUBTOTAL (A): (Sum of lines 1-29)**	$ (71,435)		$	30

OHF USE ONLY								
48		49		50		51		52

B. If there are expenses experienced by the facility which do not appear in the general ledger, they should be entered below.(See instructions.)

		1 Amount	2 Reference	
31	Non-Paid Workers-Attach Schedule*	$		31
32	Donated Goods-Attach Schedule*			32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)	(469,071)	Var	34
35	Other- Attach Schedule			35
36	**SUBTOTAL (B): (sum of lines 31-35)**	$ (469,071)		36
37	**TOTAL ADJUSTMENTS (sum of SUBTOTALS (A) and (B))**	$ (540,506)		37

***These costs are only allowable if they are necessary to meet minimum licensing standards. Attach a schedule detailing the items included on these lines.**

C. Are the following expenses included in Sections A to D of pages 3 and 4? If so, they should be reclassified into Section E. Please reference the line on which they appear before reclassification. (See instructions.)

		1 Yes	2 No	3 Amount	4 Reference	
38	Medically Necessary Transport.		X	$		38
39						39
40	Gift and Coffee Shops		X			40
41	Barber and Beauty Shops		X			41
42	Laboratory and Radiology		X			42
43	Prescription Drugs		X			43
44	Exceptional Care Program		X			44
45	Other-Attach Schedule		X			45
46	Other-Attach Schedule		X			46
47	**TOTAL (C): (sum of lines 38-46)**			$		47

SEE ACCOUNTANTS' COMPILATION REPORT

STATE OF ILLINOIS

Rosewood Care Center of Alton

ID# 0035261

Report Period Beginning: 7/1/2002

Ending: 6/30/2003

	NON-ALLOWABLE EXPENSES	Amount	Sch. V Line Reference	
1		$ (51,538)	21	1
2				2
3				3
4				4
5				5
6				6
7				7
8				8
9				9
10				10
11				11
12				12
13				13
14				14
15				15
16				16
17				17
18				18
19				19
20				20
21				21
22				22
23				23
24				24
25				25
26				26
27				27
28				28
29				29
30				30
31				31
32				32
33				33
34				34
35				35
36				36
37				37
38				38
39				39
40				40
41				41
42				42
43				43
44				44
45				45
46				46
47				47
48				48
49	Total	(51,538)		49

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Rosewood Care Center of Alton # 0035261 Report Period Beginning: 7/1/2002 Ending: 6/30/2003

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Operating Expenses	PAGES 5 & 5A	PAGE 6	PAGE 6A	PAGE 6B	PAGE 6C	PAGE 6D	PAGE 6E	PAGE 6F	PAGE 6G	PAGE 6H	PAGE 6I	SUMMARY TOTALS (to Sch V, col.7)	
	A. General Services													
1	Dietary	0	0	0	0	0	0	0	0	0	0	0	0	1
2	Food Purchase	(6,736)	0	0	0	0	0	0	0	0	0	0	(6,736)	2
3	Housekeeping	0	0	0	0	0	0	0	0	0	0	0	0	3
4	Laundry	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Heat and Other Utilities	0	0	243	0	0	0	0	0	0	0	0	243	5
6	Maintenance	0	0	22,210	0	0	0	0	0	0	0	0	22,210	6
7	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	7
8	**TOTAL General Services**	(6,736)	0	22,453	0	0	0	0	0	0	0	0	15,717	8
	B. Health Care and Programs													
9	Medical Director	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Nursing and Medical Records	0	0	0	0	0	0	0	0	0	0	0	0	10
10a	Therapy	0	8,850	0	0	0	0	0	0	0	0	0	8,850	10a
11	Activities	0	0	0	0	0	0	0	0	0	0	0	0	11
12	Social Services	0	0	0	0	0	0	0	0	0	0	0	0	12
13	Nurse Aide Training	0	0	0	0	0	0	0	0	0	0	0	0	13
14	Program Transportation	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	15
16	**TOTAL Health Care and Programs**	0	8,850	0	0	0	0	0	0	0	0	0	8,850	16
	C. General Administration													
17	Administrative	0	(850,707)	148,471	0	0	0	0	0	0	0	0	(702,236)	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	0	0	49,639	0	0	0	0	0	0	0	0	49,639	19
20	Fees, Subscriptions & Promotions	(8,240)	0	952	0	0	0	0	0	0	0	0	(7,288)	20
21	Clerical & General Office Expenses	(51,538)	0	285,236	0	0	0	0	0	0	0	0	233,698	21
22	Employee Benefits & Payroll Taxes	0	0	41,455	0	0	0	0	0	0	0	0	41,455	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	0	0	0	0	0	0	0	0	0	0	0	0	24
25	Other Admin. Staff Transportation	0	0	16,099	0	0	0	0	0	0	0	0	16,099	25
26	Insurance-Prop.Liab.Malpractice	0	0	11,801	0	0	0	0	0	0	0	0	11,801	26
27	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	27
28	**TOTAL General Administration**	(59,778)	(850,707)	553,653	0	0	0	0	0	0	0	0	(356,832)	28
29	**TOTAL Operating Expense (sum of lines 8,16 & 28)**	(66,514)	(841,857)	576,106	0	0	0	0	0	0	0	0	(332,265)	29

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Rosewood Care Center of Alton # 0035261 **Report Period Beginning:** 7/1/2002 **Ending:** 6/30/2003

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Capital Expense	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY TOTALS	
	D. Ownership	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	(to Sch V, col.7)	
30	Depreciation	536	260,068	28,153	0	0	0	0	0	0	0	0	288,757	30
31	Amortization of Pre-Op. & Org.	0	0	0	0	0	0	0	0	0	0	0	0	31
32	Interest	(4,656)	1,211,941	0	0	0	0	0	0	0	0	0	1,207,285	32
33	Real Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	33
34	Rent-Facility & Grounds	0	(1,717,289)	13,807	0	0	0	0	0	0	0	0	(1,703,482)	34
35	Rent-Equipment & Vehicles	0	0	0	0	0	0	0	0	0	0	0	0	35
36	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	36
37	**TOTAL Ownership**	(4,120)	(245,280)	41,960	0	0	0	0	0	0	0	0	(207,440)	37
	Ancillary Expense													
	E. Special Cost Centers													
38	Medically Necessary Transportation	0	0	0	0	0	0	0	0	0	0	0	0	38
39	Ancillary Service Centers	(801)	0	0	0	0	0	0	0	0	0	0	(801)	39
40	Barber and Beauty Shops	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Coffee and Gift Shops	0	0	0	0	0	0	0	0	0	0	0	0	41
42	Provider Participation Fee	0	0	0	0	0	0	0	0	0	0	0	0	42
43	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	43
44	**TOTAL Special Cost Centers**	(801)	0	0	0	0	0	0	0	0	0	0	(801)	44
45	**GRAND TOTAL COST (sum of lines 29, 37 & 44)**	(71,435)	(1,087,137)	618,066	0	0	0	0	0	0	0	0	(540,506)	45

Facility Name & ID Number Rosewood Care Center of Alton # 0035261 Report Period Beginning: 7/1/2002 Ending: 6/30/2003

VII. RELATED PARTIES

A. Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Attach an additional schedule if necessary.

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
Larry Vander Maten	75.00%	See Attached List		See Attached List		
Darrell Hoefling	25.00%	See Attached List		See Attached List		

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
1	V	17	Management Fee	$ 850,707	HSM Management Services, Inc.	100.00%	$	$ (850,707)	1
2	V								2
3	V	10a	Therapy	321,379	Rosewood Therapy Services, Inc.	0.00%	330,229	8,850	3
4	V								4
5	V	34	Rent	1,717,289	Alton Real Estate, Inc.	0.00%		(1,717,289)	5
6	V	30	Depreciation		Alton Real Estate, Inc.	0.00%	260,068	260,068	6
7	V	32	Interest		Alton Real Estate, Inc.	0.00%	1,085,505	1,085,505	7
8	V	32	Amortization - Loan Fee		Alton Real Estate, Inc.	0.00%	126,436	126,436	8
9	V								9
10	V								10
11	V								11
12	V								12
13	V								13
14	Total			$ 2,889,375			$ 1,802,238	$ * (1,087,137)	14

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Rosewood Care Center of Alton # 0035261 Report Period Beginning: 7/1/2002 Ending: 6/30/2003

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V	5	See Schedule VIII	$	HSM Management Services, Inc.	100.00%	$ 243	$ 243	15
16	V	17	See Schedule VIII		HSM Management Services, Inc.	100.00%	148,471	148,471	16
17	V	21	See Schedule VIII		HSM Management Services, Inc.	100.00%	285,236	285,236	17
18	V	22	See Schedule VIII		HSM Management Services, Inc.	100.00%	41,455	41,455	18
19	V	25	See Schedule VIII		HSM Management Services, Inc.	100.00%	16,099	16,099	19
20	V	30	See Schedule VIII		HSM Management Services, Inc.	100.00%	28,153	28,153	20
21	V	34	See Schedule VIII		HSM Management Services, Inc.	100.00%	13,807	13,807	21
22	V	19	See Schedule VIII		HSM Management Services, Inc.	100.00%	49,639	49,639	22
23	V	26	See Schedule VIII		HSM Management Services, Inc.	100.00%	11,801	11,801	23
24	V	6	See Schedule VIII		HSM Management Services, Inc.	100.00%	22,210	22,210	24
25	V	20	See Schedule VIII		HSM Management Services, Inc.	100.00%	952	952	25
26	V								26
27	V								27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			$			$ 618,066	$ * 618,066	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Rosewood Care Center of Alton # 0035261 Report Period Beginning: 7/1/2002 Ending: 6/30/2003

VII. RELATED PARTIES (continued)

C. Statement of Compensation and Other Payments to Owners, Relatives and Members of Board of Directors.

NOTE: ALL owners (even those with less than 5% ownership) and their relatives who receive any type of compensation from this home must be listed on this schedule.

	1	2	3	4	5	6		7		8	
						Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		Compensation Included in Costs for this Reporting Period**			
	Name	Title	Function	Ownership Interest	Compensation Received From Other Nursing Homes*	Hours	Percent	Description	Amount	Schedule V. Line & Column Reference	
1	Larry Vander Maten	President	Management	75.00%	599,308	3	7.77%	Salary	$ 50,506	17-8	1
2	Darrell Hoefling	Vice-President	Management	25.00%	327,922	3	7.77%	Salary	27,635	17-8	2
3											3
4											4
5											5
6											6
7											7
8											8
9											9
10											10
11											11
12											12
13								TOTAL	$ 78,141		13

* If the owner(s) of this facility or any other related parties listed above have received compensation from other nursing homes, attach a schedule detailing the name(s) of the home(s) as well as the amount paid. THIS AMOUNT MUST AGREE TO THE AMOUNTS CLAIMED ON THE THE OTHER NURSING HOMES' COST REPORTS.

** This must include all forms of compensation paid by related entities and allocated to Schedule V of this report (i.e., management fees). FAILURE TO PROPERLY COMPLETE THIS SCHEDULE INDICATING ALL FORMS OF COMPENSATION RECEIVED FROM THIS HOME, ALL OTHER NURSING HOMES AND MANAGEMENT COMPANIES MAY RESULT IN THE DISALLOWANCE OF SUCH COMPENSATION

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Rosewood Care Center of Alton # 0035261 Report Period Beginning: 7/1/2002 Ending: 6/30/2003

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES [X] NO [ ]

B. Show the allocation of costs below. If necessary, please attach worksheets.

Name of Related Organization: Hsm Management Services, Inc.
Street Address: 11701 Borman Drive, Suite 315
City / State / Zip Code: St. Louis, MO 63146
Phone Number: (314) 994-9070
Fax Number: (314) 994-9912

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	17	Salaries - Officers	Total Cost	78,214,895	17	$ 1,005,371	$ 1,005,371	6,079,130	$ 78,141	1
2	21	Salaries - Others	Total Cost	78,214,895	17	3,183,939	3,183,939	6,079,130	247,467	2
3	22	Payroll Taxes	Total Cost	78,214,895	17	296,707		6,079,130	23,061	3
4	22	Employee Benefits	Total Cost	78,214,895	17	59,110		6,079,130	4,594	4
5	25	Travel	Total Cost	78,214,895	17	207,136		6,079,130	16,099	5
6	30	Depreciation	Total Cost	78,214,895	17	351,450		6,079,130	27,316	6
7	34	Building Rent	Total Cost	78,214,895	17	177,648		6,079,130	13,807	7
8	19	Professional Services	Total Cost	78,214,895	17	638,666		6,079,130	49,639	8
9	21	Telephone	Total Cost	78,214,895	17	223,118		6,079,130	17,341	9
10	26	Insurance	Total Cost	78,214,895	17	151,827		6,079,130	11,801	10
11	21	Taxes, Licenses & Office Sup	Total Cost	78,214,895	17	262,831		6,079,130	20,428	11
12	6	Maintenance	Total Cost	78,214,895	17	283,265		6,079,130	22,016	12
13	5	Heat & Other Utilities	Total Cost	78,214,895	17	3,126		6,079,130	243	13
14	20	Dues & Subscriptions	Total Cost	78,214,895	17	12,246		6,079,130	952	14
15	17	Direct - Admin	Direct Cost	1	1	70,330	70,330	1	70,330	15
16	17	Direct - Admin	Direct Cost	15	15	865,671	865,671	0	0	16
17	22	Direct - Payroll Taxes	Direct Cost	1	1	13,800		1	13,800	17
18	22	Direct - Payroll Taxes	Direct Cost	15	15	67,456		0	0	18
19	30	Direct - Depreciation	Direct Cost	1	1	837		1	837	19
20	30	Direct - Depreciation	Direct Cost	13	13	11,316		0	0	20
21	25	Direct - Travel	Direct Cost	1	1	0		1	0	21
22	25	Direct - Travel	Direct Cost	11	11	17,761		0	0	22
23	6	Maintenance	Direct Cost	1	1	194		1	194	23
24	6	Maintenance	Direct Cost	13	13	5,997		0	0	24
25	TOTALS					$ 7,909,802	$ 5,125,311		$ 618,066	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Rosewood Care Center of Alton # 0035261 Report Period Beginning: 7/1/2002 Ending: 6/30/2003

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

A. Interest: (Complete details must be provided for each loan - attach a separate schedule if necessary.)

	1	2		3	4	5	6	7	8	9	10	
	Name of Lender	Related** YES	Related** NO	Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note Original	Amount of Note Balance	Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense	
	A. Directly Facility Related Long-Term											
1	GMAC		X	Refinance Mortgage	Varies	6/1/02	$ 16,150,000	$ 16,017,841	6/2035	6.61%	$ 1,187,465	1
2	Less: Related Party Interest Income Offset										(101,960)	2
3	Interest Income										(4,656)	3
4	Amortization of Loan Costs										126,436	4
5												5
	Working Capital											
6												6
7												7
8												8
9	TOTAL Facility Related						$ 16,150,000	$ 16,017,841			$ 1,207,285	9
	B. Non-Facility Related*											
10												10
11												11
12												12
13												13
14	TOTAL Non-Facility Related						$	$			$	14
15	TOTALS (line 9+line14)						$ 16,150,000	$ 16,017,841			$ 1,207,285	15

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. **$ 80,750** **Line # 32**

*** Any interest expense reported in this section should be adjusted out on page 5, line 14 and, consequently, page 4, col. 7. (See instructions.)**

SEE ACCOUNTANTS' COMPILATION REPORT

**** If there is ANY overlap in ownership between the facility and the lender, this must be indicated in column 2. (See instructions.)**

Facility Name & ID Number Rosewood Care Center of Alton # 0035261 Report Period Beginning: 7/1/2002 Ending: 6/30/2003

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE (continued)

B. Real Estate Taxes

Important, please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report.

1. Real Estate Tax accrual used on 2002 report.	$	205,760	1
2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.)	$	205,212	2
3. Under or (over) accrual (line 2 minus line 1).	$	(548)	3
4. Real Estate Tax accrual used for 2003 report. (Detail and explain your calculation of this accrual on the lines below.)	$	139,282	4
5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C. (Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.)	$		5
6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund. TOTAL REFUND $ For Tax Year. (Attach a copy of the real estate tax appeal board's decision.)	$		6
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.	$	138,734	7

Real Estate Tax History:

Real Estate Tax Bill for Calendar Year:			
	1998	97,312	8
	1999	97,506	9
	2000	100,525	10
	2001	136,260	11
	2002	137,903	12

2001 Payment - $136,260

2002 Payment - $68,952

Accrual = 2002 Tax Bill (68,951) + 1/2 of estimated 2003 taxes (70,331)

	FOR OHF USE ONLY		
13	FROM R. E. TAX STATEMENT FOR 2002	$	13
14	PLUS APPEAL COST FROM LINE 5	$	14
15	LESS REFUND FROM LINE 6	$	15
16	AMOUNT TO USE FOR RATE CALCULATION	$	16

NOTES:

1. **Please indicate a negative number by use of brackets( ). Deduct any overaccrual of taxes from prior year.**
2. **If facility is a non-profit which pays real estate taxes, you must attach a denial of an application for real estate tax exemption unless the building is rented from a for-profit entity.**
   This denial must be no more than four years old at the time the cost report is filed.

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates **RE:** 2002 REAL ESTATE TAX COST DOCUMENTATION

In order to set the real estate tax portion of the capital rate, it is necessary that we obtain additional information regarding your calendar 2002 real estate tax costs, as well as copies of your real estate tax bills for calendar 2002.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2002 real estate tax bill to the Department of Public Aid, Office of Health Finance, 201 South Grand Avenue East, Springfield, Illinois 62763.

Please send these items in with your completed 2003 cost report. The cost report will not be considered complete and timely filed until this statement and the corresponding real estate tax bills are filed. If you have any questions, please call the Office of Health Finance at (217) 782-1630.

2002 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Rosewood Care Center of Alton COUNTY Madison

FACILITY IDPH LICENSE NUMBER 0035261

CONTACT PERSON REGARDING THIS REPORT Chuck Schmitz

TELEPHONE (314) 994-9070 FAX #: (314) 994-9912

A. **Summary of Real Estate Tax Cost**

Enter the tax index number and real estate tax assessed for 2002 on the lines provided below. Enter only the portion of the cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursing home property which is vacant, rented to other organizations, or used for purposes other than long term care must not be entered in Column D. Do not include cost for any period other than calendar year 2002.

	(A) Tax Index Number	(B) Property Description	(C) Total Tax	(D) Tax Applicable to Nursing Home
1.	23-2-02-31-00-000-049	Pebble Creek Outlot B	$ 134,258.48	$ 134,258.48
2.	23-2-02-31-00-000-048	Pebble Creek Outlot D	$ 3,645.01	$ 3,645.01
3.			$	$
4.			$	$
5.			$	$
6.			$	$
7.			$	$
8.			$	$
9.			$	$
10.			$	$
		TOTALS	$ 137,903.49	$ 137,903.49

B. **Real Estate Tax Cost Allocations**

Does any portion of the tax bill apply to more than one nursing home, vacant property, or property which is not directly used for nursing home services? _____ YES X NO

If YES, attach an explanation & a schedule which shows the calculation of the cost allocated to the nursing home. (Generally the real estate tax cost must be allocated to the nursing home based upon sq. ft. of space used.)

C. **Tax Bills**

Attach a copy of the 2002 tax bills which were listed in Section A to this statement. Be sure to use the 2002 tax bill which is normally paid during 2003.

Facility Name & ID Number Rosewood Care Center of Alton # 0035261 Report Period Beginning: 7/1/2002 Ending: 6/30/2003

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 39,200 B. General Construction Type: Exterior Brick Frame Wood Number of Stories 1

C. Does the Operating Entity? [ ] (a) Own the Facility [X] (b) Rent from a Related Organization. [ ] (c) Rent from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI. Those checking (c) may complete Schedule XI or Schedule XII-A. See instructions.)

D. Does the Operating Entity? [ ] (a) Own the Equipment [X] (b) Rent equipment from a Related Organization. [ ] (c) Rent equipment from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI-C. Those checking (c) may complete Schedule XI-C or Schedule XII-B. See instructions.)

E. List all other business entities owned by this operating entity or related to the operating entity that are located on or adjacent to this nursing home's grounds (such as, but not limited to, apartments, assisted living facilities, day training facilities, day care, independent living facilities, nurse aide training facilities, etc.) List entity name, type of business, square footage, and number of beds/units available (where applicable).

None

F. Does this cost report reflect any organization or pre-operating costs which are being amortized? [ ] YES [X] NO
If so, please complete the following:

1. Total Amount Incurred: 2. Number of Years Over Which it is Being Amortized:

3. Current Period Amortization: 4. Dates Incurred:

Nature of Costs:
(Attach a complete schedule detailing the total amount of organization and pre-operating costs.)

XI. OWNERSHIP COSTS:

A. Land.

	1 Use	2 Square Feet	3 Year Acquired	4 Cost	
1	Nursing Home	58,679	1988	$ 278,953	1
2	60 Bed Addition	19,479	1988	25,461	2
3	TOTALS	78,158		$ 304,414	3

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Rosewood Care Center of Alton # 0035261 Report Period Beginning: 7/1/2002 Ending: 6/30/2003

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Beds*	FOR OHF USE ONLY	2 Year Acquired	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
4	120			1989	$ 3,401,372	$	10-25	$ 145,309	$ 145,309	$ 2,181,953	4
5	60			1998	2,341,080		25	93,643	93,643	468,215	5
6											6
7											7
8											8
	Improvement Type**										
9	Heating and A/C Modification			1990	2,786		20	139	139	1,865	9
10	Lawn Sprinkler			1992	14,401		25	576	576	6,192	10
11	General Site Work			1992	27,500		25	1,100	1,100	11,825	11
12	Fence			1990	3,627		25	145	145	1,740	12
13	Walk-in Cooler			1989	5,438		10			5,438	13
14	Sinks			1989	3,528		10			3,528	14
15	Exhaust Hood			1989	4,609		10			4,609	15
16	Fire System			1989	1,198		10			1,198	16
17	Sign			1989	5,178		10			5,178	17
18	Telephone System			1989	7,836		10			7,836	18
19	Cubicle Curtain Track			1989	8,673		10			8,673	19
20	10 Baseboard Heaters			1989	2,106		10			2,106	20
21	Heat Pump			1990	2,786		10	135	135	2,786	21
22	Service Door			1991	3,150		10			3,150	22
23	Generator			1989	14,857		10			14,857	23
24	Carpet			1989	9,170		10			9,170	24
25	Wallpaper			2002	7,903		10	659	659	659	25
26											26
27	Leasehold Improvements - Facility										27
28	Painting			1994	2,058		7			2,058	28
29	Tiling/Painting			1995	2,044		7			2,044	29
30	Nurse Station Improvements			1995	1,868	110	7	110		1,868	30
31	Painting			1995	475	27	7	27		475	31
32	Carpeting			1996	14,400	1,201	7	1,201		14,400	32
33	Base Stripping			1996	1,096	115	7	115		1,096	33
34	Wallpapering			1996	2,696	290	7	290		2,696	34
35											35
36											36

*Total beds on this schedule must agree with page 2.

**Improvement type must be detailed in order for the cost report to be considered complete.

See Page 12A, Line 70 for total

Facility Name & ID Number Rosewood Care Center of Alton # 0035261 Report Period Beginning: 7/1/2002 Ending: 6/30/2003

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
37	Carpeting	1996	$ 636	$ 90	7	$ 90	$	$ 621	37
38	Wallcovering	1996	9,813	1,401	7	1,401		9,463	38
39	Painting	1996	2,700	384	7	384		2,599	39
40	Draperies	1997	5,190	742	7	742		4,262	40
41	Painting	1997	4,892	698	7	698		3,923	41
42	Wallpaper	1998	1,329	190	7	190		1,013	42
43	Tech Electronics	1998	2,735	1,529	7	1,529		2,735	43
44	Computer Cabling	2000	3,380	482	7	482		1,247	44
45	Painting	2003	9,548	682	7	682		682	45
46									46
47	Leasehold Improvements - Management Company:								47
48	Office Construction/Improvements	1995	595		5			595	48
49	Office Design	1995	54		5			54	49
50	Office Shelving	1996	127		4			127	50
51	Office Expansion	1996	562		4			562	51
52	Office Expansion	1997	1,504		3			1,504	52
53	Office Expansion	1998	848		3			848	53
54	Office Addition	1999	419		3			419	54
55	Door Locks	1999	209		3	29	29	209	55
56									56
57									57
58									58
59									59
60									60
61									61
62									62
63									63
64									64
65									65
66									66
67									67
68									68
69									69
70	TOTAL (lines 4 thru 69)		$ 5,936,376	$ 7,941		$ 249,676	$ 241,735	$ 2,796,478	70

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Rosewood Care Center of Alton # 0035261 Report Period Beginning: 7/1/2002 Ending: 6/30/2003

XI. OWNERSHIP COSTS (continued)

C. Equipment Depreciation-Excluding Transportation. (See instructions.)

	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	$ 459,368	$ 342	$ 36,684	$ 36,342	5-10 Yrs	$ 165,733	71
72	Current Year Purchases	21,093		194	194	5-10 Yrs	194	72
73	Fully Depreciated Assets	434,901					434,901	73
74								74
75	TOTALS	$ 915,362	$ 342	$ 36,878	$ 36,536		$ 600,828	75

D. Vehicle Depreciation (See instructions.)*

	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76	HSM Management	Various	Various	$ 35,604	$	$ 9,950	$ 9,950	4 Yrs	$ 17,535	76
77										77
78										78
79										79
80	TOTALS			$ 35,604	$	$ 9,950	$ 9,950		$ 17,535	80

E. Summary of Care-Related Assets

		1 Reference	2 Amount	
81	Total Historical Cost	(line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)	$ 7,191,756	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	$ 8,283	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	$ 296,504	83 **
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	$ 288,221	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	$ 3,414,841	85

F. Depreciable Non-Care Assets Included in General Ledger. (See instructions.)

	1 Description & Year Acquired	2 Cost	Current Book Depreciation 3	Accumulated Depreciation 4	
86	Section Not Applicable	$	$	$	86
87					87
88					88
89					89
90					90
91	TOTALS	$	$	$	91

G. Construction-in-Progress

	Description	Cost	
92	Section Not Applicable	$	92
93			93
94			94
95		$	95

* Vehicles used to transport residents to & from day training must be recorded in XI-F, not XI-D.

** This must agree with Schedule V line 30, column 8.

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease: Schedule Not Applicable

2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4?
If NO, see instructions. ☐ YES ☐ NO

		1 Year Constructed	2 Number of Beds	3 Date of Lease	4 Rental Amount	5 Total Years of Lease	6 Total Years Renewal Option*	
3	Original Building:				$			3
4	Additions							4
5								5
6								6
7	TOTAL				$ **			7

8. List separately any amortization of lease expense included on page 4, line 34.
This amount was calculated by dividing the total amount to be amortized
by the length of the lease ____.

9. Option to Buy: ☐ YES ☐ NO Terms: ____ *

10. Effective dates of current rental agreement:
Beginning ____
Ending ____

11. Rent to be paid in future years under the current rental agreement:

	Fiscal Year Ending	Annual Rent
12.	/2004	$
13.	/2005	$
14.	/2006	$

B. Equipment-Excluding Transportation and Fixed Equipment. (See instructions.)

15. Is Movable equipment rental included in building rental? ☐ YES ☐ NO

16. Rental Amount for movable equipment: $ ____ Description: ____
(Attach a schedule detailing the breakdown of movable equipment)

C. Vehicle Rental (See instructions.)

	1 Use	2 Model Year and Make	3 Monthly Lease Payment	4 Rental Expense for this Period	
17			$	$	17
18					18
19					19
20					20
21	TOTAL		$	$	21

* If there is an option to buy the building, please provide complete details on attached schedule.

** This amount plus any amortization of lease expense must agree with page 4, line 34.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Rosewood Care Center of Alton # 0035261 Report Period Beginning: 7/1/2002 Ending: 6/30/2003

XIII. EXPENSES RELATING TO NURSE AIDE TRAINING PROGRAMS (See instructions.)

A. TYPE OF TRAINING PROGRAM (If aides are trained in another facility program, attach a schedule listing the facility name, address and cost per aide trained in that facility.)

1. HAVE YOU TRAINED AIDES DURING THIS REPORT PERIOD? [ ] YES [X] NO

SCHEDULE N/A - ONLY HIRE CERTIFIED AIDES
If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.

2. CLASSROOM PORTION:
- IN-HOUSE PROGRAM [ ]
- IN OTHER FACILITY [ ]
- COMMUNITY COLLEGE [ ]
- HOURS PER AIDE ____

3. CLINICAL PORTION:
- IN-HOUSE PROGRAM [ ]
- IN OTHER FACILITY [ ]
- HOURS PER AIDE ____

B. EXPENSES

ALLOCATION OF COSTS (d)

			1	2	3	4
			Facility			
			Drop-outs	Completed	Contract	Total
1	Community College Tuition		$	$	$	$
2	Books and Supplies					
3	Classroom Wages	(a)				
4	Clinical Wages	(b)				
5	In-House Trainer Wages	(c)				
6	Transportation					
7	Contractual Payments					
8	Nurse Aide Competency Tests					
9	TOTALS		$	$	$	$
10	SUM OF line 9, col. 1 and 2	(e)	$			

C. CONTRACTUAL INCOME

In the box below record the amount of income your facility received training aides from other facilities.

$

D. NUMBER OF AIDES TRAINED

COMPLETED	
1. From this facility	
2. From other facilities (f)	
DROP-OUTS	
1. From this facility	
2. From other facilities (f)	
TOTAL TRAINED	

(a) Include wages paid during the classroom portion of training. Do not include fringe benefits.
(b) Include wages paid during the clinical portion of training. Do not include fringe benefits.
(c) For in-house training programs only. Do not include fringe benefits.
(d) Allocate based on if the aide is from your facility or is being contracted to be trained in your facility. Drop-out costs can only be for costs incurred by your own aides.
(e) The total amount of Drop-out and Completed Costs for your own aides must agree with Sch. V, line 13, col. 8.
(f) Attach a schedule of the facility names and addresses of those facilities for which you trained aides.

SEE ACCOUNTANTS' COMPILATION REPORT

XIV. SPECIAL SERVICES (Direct Cost) (See instructions.)

	1	2	3	4	5	6	7	8	
	Service	Schedule V Line & Column Reference	Staff Units of Service	Staff Cost	Outside Practitioner (other than consultant) Units	Outside Practitioner (other than consultant) Cost	Supplies (Actual or) Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
1	Licensed Occupational Therapist	10a-8	hrs	$	9,573	$ 148,807	$	9,573	$ 148,807	1
2	Licensed Speech and Language Development Therapist	10a-8	hrs		1,023	20,418		1,023	20,418	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	10a-8	hrs		17,971	161,004	1,093	17,971	162,097	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	39-8	# of prescrpts				130,136		130,136	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Exceptional Care Program									12
13	Ambulance, Laboratory, Enterals Other (specify): & X-Ray	39-8				13,098	19,623		32,721	13
14	TOTAL			$	28,567	$ 343,327	$ 150,852	28,567	$ 494,179	14

NOTE: This schedule should include fees (other than consultant fees) paid to licensed practitioners. Consultant fees should be detailed on Schedule XVIII-B. Salaries of unlicensed practitioners, such as nurse aides, who help with the above activities should not be listed on this schedule.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Rosewood Care Center of Alton # 0035261 **Report Period Beginning:** 7/1/2002 **Ending:** 6/30/2003

XV. BALANCE SHEET - Unrestricted Operating Fund. As of 6/30/2003 (last day of reporting year)

This report must be completed even if financial statements are attached.

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	$ 722,820	$	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance 20,000)	656,977		3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	4,229		6
7	Other Prepaid Expenses	700		7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify):			9
10	**TOTAL Current Assets (sum of lines 1 thru 9)**	$ 1,384,726	$	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land			13
14	Buildings, at Historical Cost	67,882		14
15	Leasehold Improvements, at Historical Cost			15
16	Equipment, at Historical Cost			16
17	Accumulated Depreciation (book methods)	(51,078)		17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds			21
22	Other Long-Term Assets (specify):			22
23	Other(specify):			23
24	**TOTAL Long-Term Assets (sum of lines 11 thru 23)**	$ 16,804	$	24
25	**TOTAL ASSETS (sum of lines 10 and 24)**	$ 1,401,530	$	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	$ 588,022	$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	250,567		30
31	Accrued Taxes Payable (excluding real estate taxes)	142,876		31
32	Accrued Real Estate Taxes(Sch.IX-B)	139,282		32
33	Accrued Interest Payable			33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36				36
37				37
38	**TOTAL Current Liabilities (sum of lines 26 thru 37)**	$ 1,120,747	$	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable			39
40	Mortgage Payable			40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43				43
44				44
45	**TOTAL Long-Term Liabilities (sum of lines 39 thru 44)**	$	$	45
46	**TOTAL LIABILITIES (sum of lines 38 and 45)**	$ 1,120,747	$	46
47	**TOTAL EQUITY(page 18, line 24)**	$ 280,783	$	47
48	**TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)**	$ 1,401,530	$	48

SEE ACCOUNTANTS' COMPILATION REPORT

***(See instructions.)**

Facility Name & ID Number Rosewood Care Center of Alton # 0035261 Report Period Beginning: 7/1/2002 Ending: 6/30/2003

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	**Balance at Beginning of Year, as Previously Reported**	$ 248,741	1
2	Restatements (describe):		2
3			3
4			4
5			5
6	**Balance at Beginning of Year, as Restated (sum of lines 1-5)**	$ 248,741	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	357,442	7
8	Aquisitions of Pooled Companies		8
9	Proceeds from Sale of Stock		9
10	Stock Options Exercised		10
11	Contributions and Grants		11
12	Expenditures for Specific Purposes		12
13	Dividends Paid or Other Distributions to Owners	(325,400)	13
14	Donated Property, Plant, and Equipment		14
15	Other (describe)		15
16	Other (describe)		16
17	**TOTAL Additions (deductions) (sum of lines 7-16)**	$ 32,042	17
	B. Transfers (Itemize):		
18			18
19			19
20			20
21			21
22			22
23	**TOTAL Transfers (sum of lines 18-22)**	$	23
24	**BALANCE AT END OF YEAR (sum of lines 6 + 17 + 23)**	$ 280,783	24 *

*** This must agree with page 17, line 47.**

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Rosewood Care Center of Alton # 0035261 Report Period Beginning: 7/1/2002 Ending: 6/30/2003

XVII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this schedule to Schedules V and VI.) All required classifications of revenue and expense must be provided on this form, even if financial statements are attached.

Note: This schedule should show gross revenue and expenses. Do not net revenue against expense.

	Revenue	1 Amount	
	A. Inpatient Care		
1	Gross Revenue -- All Levels of Care	$ 7,953,844	1
2	Discounts and Allowances for all Levels	(1,513,878)	2
3	**SUBTOTAL Inpatient Care (line 1 minus line 2)**	$ 6,439,966	3
	B. Ancillary Revenue		
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	1,342,718	6
7	Oxygen		7
8	**SUBTOTAL Ancillary Revenue (lines 4 thru 7)**	$ 1,342,718	8
	C. Other Operating Revenue		
9	Payments for Education		9
10	Other Government Grants		10
11	Nurses Aide Training Reimbursements		11
12	Gift and Coffee Shop		12
13	Barber and Beauty Care	4,682	13
14	Non-Patient Meals	6,033	14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs		17
18	Sale of Supplies to Non-Patients		18
19	Laboratory		19
20	Radiology and X-Ray		20
21	Other Medical Services		21
22	Laundry		22
23	**SUBTOTAL Other Operating Revenue (lines 9 thru 22)**	$ 10,715	23
	D. Non-Operating Revenue		
24	Contributions		24
25	Interest and Other Investment Income***	4,656	25
26	**SUBTOTAL Non-Operating Revenue (lines 24 and 25)**	$ 4,656	26
	E. Other Revenue (specify):**		
27	Settlement Income (Insurance, Legal, Etc.)		27
28	Lab Discounts	801	28
28a	Miscellaneous	3,729	28a
29	**SUBTOTAL Other Revenue (lines 27, 28 and 28a)**	$ 4,530	29
30	**TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)**	$ 7,802,585	30

	Expenses	2 Amount	
	A. Operating Expenses		
31	General Services	925,062	31
32	Health Care	2,774,378	32
33	General Administration	1,481,036	33
	B. Capital Expense		
34	Ownership	1,869,826	34
	C. Ancillary Expense		
35	Special Cost Centers	163,658	35
36	Provider Participation Fee	98,550	36
	D. Other Expenses (specify):		
37			37
38			38
39			39
40	**TOTAL EXPENSES (sum of lines 31 thru 39)***	$ 7,312,510	40
41	**Income before Income Taxes (line 30 minus line 40)****	490,075	41
42	**Income Taxes**	(132,633)	42
43	**NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)**	$ 357,442	43

* **This must agree with page 4, line 45, column 4.**

** **Does this agree with taxable income (loss) per Federal Income Tax Return? Yes If not, please attach a reconciliation.**

*** **See the instructions. If this total amount has not been offset against interest expense on Schedule V, line 32, please include a detailed explanation. SEE ACCOUNTANTS' COMPILATION REPORT**

**** **Provide a detailed breakdown of "Other Revenue" on an attached sheet.**

Facility Name & ID Number Rosewood Care Center of Alton # 0035261 Report Period Beginning: 7/1/2002 Ending: 6/30/2003

XVIII. A. STAFFING AND SALARY COSTS (Please report each line separately.)
(This schedule must cover the entire reporting period.)

		1 # of Hrs. Actually Worked	2** # of Hrs. Paid and Accrued	3 Reporting Period Total Salaries, Wages	4 Average Hourly Wage	
1	Director of Nursing	1,978	2,096	$ 59,465	$ 28.37	1
2	Assistant Director of Nursing	2,281	2,417	48,221	19.95	2
3	Registered Nurses	22,947	24,316	467,923	19.24	3
4	Licensed Practical Nurses	25,494	27,014	426,862	15.80	4
5	Nurse Aides & Orderlies	95,625	101,327	955,143	9.43	5
6	Nurse Aide Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides	5,388	5,710	69,493	12.17	8
9	Activity Director					9
10	Activity Assistants	5,740	6,082	57,087	9.39	10
11	Social Service Workers	5,401	5,723	59,086	10.32	11
12	Dietician					12
13	Food Service Supervisor					13
14	Head Cook					14
15	Cook Helpers/Assistants	23,251	24,637	210,079	8.53	15
16	Dishwashers					16
17	Maintenance Workers	2,304	2,442	24,833	10.17	17
18	Housekeepers	19,034	20,169	144,477	7.16	18
19	Laundry	7,554	8,004	52,329	6.54	19
20	Administrator					20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	11,420	12,101	132,842	10.98	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator					29
30	Habilitation Aides (DD Homes)					30
31	Medical Records	5,594	5,928	70,982	11.97	31
32	Other Health Care(specify)					32
33	Other(specify)					33
34	TOTAL (lines 1 - 33)	234,011	247,966	$ 2,778,822 *	$ 11.21	34

B. CONSULTANT SERVICES

		1 Number of Hrs. Paid & Accrued	2 Total Consultant Cost for Reporting Period	3 Schedule V Line & Column Reference	
35	Dietary Consultant	350	$ 8,064	1-3	35
36	Medical Director	Contract	4,250	9-3	36
37	Medical Records Consultant	20	446	10-3	37
38	Nurse Consultant				38
39	Pharmacist Consultant				39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	95	2,400	11-3	44
45	Social Service Consultant	95	2,400	12-3	45
46	Other(specify)				46
47					47
48					48
49	TOTAL (lines 35 - 48)	560	$ 17,560		49

C. CONTRACT NURSES

		1 Number of Hrs. Paid & Accrued	2 Total Contract Wages	3 Schedule V Line & Column Reference	
50	Registered Nurses	44	$ 1,683	10-3	50
51	Licensed Practical Nurses	638	20,302	10-3	51
52	Nurse Aides				52
53	TOTAL (lines 50 - 52)	682	$ 21,985		53

SEE ACCOUNTANTS' COMPILATION REPORT

* This total must agree with page 4, column 1, line 45.

** See instructions.

Facility Name & ID Number Rosewood Care Center of Alton # 0035261 Report Period Beginning: 7/1/2002 Ending: 6/30/2003

XIX. SUPPORT SCHEDULES

A. Administrative Salaries

Name	Function	Ownership %	Amount
Mary Newell	Administration	0.00	$ 70,330
TOTAL (agree to Schedule V, line 17, col. 1)			
(List each licensed administrator separately.)			$ 70,330

B. Administrative - Other

Description	Amount
Management Fees	$ 850,707
TOTAL (agree to Schedule V, line 17, col. 3)	$ 850,707
(Attach a copy of any management service agreement)	

C. Professional Services

Vendor/Payee	Type	Amount
C.J. Schlosser & Company	Accountant/Consultant	$ 3,790
TOTAL (agree to Schedule V, line 19, column 3)		
(If total legal fees exceed $2500 attach copy of invoices.)		$ 3,790

D. Employee Benefits and Payroll Taxes

Description	Amount
Workers' Compensation Insurance	$ 70,326
Unemployment Compensation Insurance	25,111
FICA Taxes	209,312
Employee Health Insurance	15,330
Employee Meals	
Illinois Municipal Retirement Fund (IMRF)*	
HSM Management Allocation	41,455
Employee Uniforms	1,507
Employee Relations	3,146
Employee Physicals	5,434
TOTAL (agree to Schedule V, line 22, col.8)	$ 371,621

E. Schedule of Non-Cash Compensation Paid to Owners or Employees

Description	Line #	Amount
Section Not Applicable		$
TOTAL		$

F. Dues, Fees, Subscriptions and Promotions

Description	Amount
IDPH License Fee	$
Advertising: Employee Recruitment	2,403
Health Care Worker Background Check	
(Indicate # of checks performed 56)	677
Promotional Advertising	5,240
Misc. Dues/Subscriptions	11,005
HSM Management Allocation	952
Less: Public Relations Expense	(378)
Non-allowable advertising	(1,157)
Yellow page advertising	(3,705)
TOTAL (agree to Sch. V, line 20, col. 8)	$ 15,037

G. Schedule of Travel and Seminar**

Description	Amount
Out-of-State Travel	$
In-State Travel	
Seminar Expense	49
Entertainment Expense	( )
TOTAL (agree to Sch. V, line 24, col. 8)	$ 49

* Attach copy of IMRF notifications

**See instructions.

Facility Name & ID Number Rosewood Care Center of Alton # 0035261 Report Period Beginning: 7/1/2002 Ending: 6/30/2003

XIX-H. SUPPORT SCHEDULE - DEFERRED MAINTENANCE COSTS (which have been included in Sch. V, line 6, col. 3).
(See instructions.)

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	Amount of Expense Amortized Per Year								
					FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
1	Schedule Not Applicable		$		$	$	$	$	$	$	$	$	$
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20	TOTALS		$		$	$	$	$	$	$	$	$	$

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Rosewood Care Center of Alton # 0035261 Report Period Beginning: 7/1/2002 Ending: 6/30/2003

XX. GENERAL INFORMATION:

(1) Are nursing employees (RN,LPN,NA) represented by a union? **No**

(2) Are there any dues to nursing home associations included on the cost report? **Yes**
If YES, give association name and amount. **Illinois Health Care Association**

(3) Did the nursing home make political contributions or payments to a political action organization? **No** If YES, have these costs been properly adjusted out of the cost report? **N/A**

(4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? **No** If YES, what is the capacity? **N/A**

(5) Have you properly capitalized all major repairs and equipment purchases? **Yes**
What was the average life used for new equipment added during this period? **10 yrs**

(6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. $ **75,957** Line **10**

(7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? **Yes** If NO, attach a complete explanation.

(8) Are you presently operating under a sale and leaseback arrangement? **No**
If YES, give effective date of lease. **N/A**

(9) Are you presently operating under a sublease agreement? YES **X** NO

(10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES NO **X** If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over.

(11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department of Public Aid during this cost report period. $ **98,550**
This amount is to be recorded on line 42 of Schedule V.

(12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? **No** If YES, attach an explanation of the allocation.

SEE ACCOUNTANTS' COMPILATION REPORT

(13) Have costs for all supplies and services which are of the type that can be billed to the Department of Public Aid, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? **Yes**

(14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? **No** For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions.

(15) Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V. $ **0** Has any meal income been offset against related costs? **Yes** Indicate the amount. $ **6,033**

(16) Travel and Transportation
a. Are there costs included for out-of-state travel? **No**
If YES, attach a complete explanation.
b. Do you have a separate contract with the Department to provide medical transportation for residents? **No** If YES, please indicate the amount of income earned from such a program during this reporting period. $ **0**
c. What percent of all travel expense relates to transportation of nurses and patients? **N/A**
d. Have vehicle usage logs been maintained? **N/A**
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? **N/A**
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? **N/A**
g. Does the facility transport residents to and from day training? No
Indicate the amount of income earned from providing such transportation during this reporting period. $ N/A

(17) Has an audit been performed by an independent certified public accounting firm? **Yes**
Firm Name: **C.J. Schlosser & Company** The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? **No** If no, please explain. **Copy attached to RCC-East Peoria**

(18) Have all costs which do not relate to the provision of long term care been adjusted out out of Schedule V? **Yes**

(19) If total legal fees are in excess of $2500, have legal invoices and a summary of services performed been attached to this cost report? **N/A**
Attach invoices and a summary of services for all architect and appraisal fees.

ROSEWOOD CARE CENTER INC. OF ALTON
IDPH ID #0035261
ATTACHMENT TO SCHEDULE V, LINE 25
6/30/2003

OTHER ADMIN. STAFF TRANSPORTATION:

MILEAGE REIMBURSEMENT**	$ 12,423
	$ 12,423

**ALL MILEAGE REIMBURSEMENTS ARE FOR TRAVEL VOUCHERS SUBMITTED WHICH WERE LESS THAN $250.00 EACH

ROSEWOOD CARE CENTER INC. OF ALTON
IDPH ID #0035261
ATTACHMENT TO SCHEDULE VII, SECTION A.
6/30/2003

RELATED NURSING HOME:	CITY:
ROSEWOOD CARE CENTER OFEAST PEORIA	EAST PEORIA, IL
ROSEWOOD CARE CENTER OF EDWARDVILLE	EDWARDSVILLE, IL
ROSEWOOD CARE CENTER OF ELGIN	ELGIN, IL
ROSEWOOD CARE CENTER OF GALESBURG	GALESBURG, IL
ROSEWOOD CARE CENTER OF INVERNESS	INVERNESS, IL
ROSEWOOD CARE CENTER OF JOLIET	JOLIET, IL
ROSEWOOD CARE CENTER OF MOLINE	MOLINE, IL
ROSEWOOD CARE CENTER OF NORTHBROOK	NORTHBROOK, IL
ROSEWOOD CARE CENTER OF PEORIA	PEORIA, IL
ROSEWOOD CARE CENTER OF ROCKFORD	ROCKFORD, IL
ROSEWOOD CARE CENTER OF ST. CHARLES	ST. CHARLES, IL
ROSEWOOD CARE CENTER OF ST. LOUIS	ST. LOUIS, MO
ROSEWOOD CARE CENTER OF SWANSEA	SWANSEA, IL

OTHER RELATED BUSINESS ENTITIES:	TYPE OF BUSINESS:
HSM MANAGEMENT SERVICES, INC.	MANAGEMENT CO.
ALTON REAL ESTATE, INC.	REAL ESTATE LSG.
HSM DEVELOPMENT, INC.	DEVELOPMENT CO.
RCC HOLDING COMPANY	HOLDING COMPANY
ROSEWOOD HOME HEALTH	HOME HEALTH CO.
ROSEWOOD THERAPY SERVICES	THERAPY COMPANY